

Thank you Ambassadors Talbot and Pederson for convening today's session on the global context.

My delegation agrees completely with your assertion that the global context has changed considerably since the adoption of the Monterrey Consensus in 2002. For this reason, while recognizing that the Monterrey Consensus and the Doha Declaration represent the initial point of reference, the outcome of the Third International Conference on Financing for Development must go well beyond in its scope. The development financial landscape has undergone many profound changes since we last assembled to lay out the framework for financing our global development goals.

As a result of the commitments made at Monterrey, many countries, increased their ODA levels - including Canada which doubled ODA levels between 2003 and 2010. The whole terminology and practice of aid effectiveness transformed the harmonization and alignment of ODA at a country level. More recently, there has been an increasing emphasis placed on how to most effectively use ODA funds. Although ODA remains an important source of finance, particularly for LDCs, we also have the opportunity to use it to leverage other innovative sources of funding. Canada is working to demonstrate creative ways to use public-private partnerships and to scale up public-private blended financing to create a portfolio of innovative finance models. These are not meant replace ODA, but rather to multiply the resources available for development. Canada supports ODA modernization efforts that will better capture and incentivise innovative use of ODA and other development related activities. Canada believes that ODA reform should be supported with safeguards, namely that ODA financing should be underpinned by greater transparency; avoid increasing the debt burden of low income countries; and, is aimed at crowding in private investments by targeting opportunities that require public support to be viable.

Private flows, such as foreign direct investment and remittances, have also soared. Foreign Direct Investment to developing countries reached \$778 billion US in 2013, surpassing the flow of official development assistance by nearly a factor of six. Meanwhile, over \$400 billion was remitted to developing countries in the same year – a tenfold increase since 1990.

The number of actors has also increased. Joining the traditional donor countries and the private sector are a number of philanthropic organizations, who in 2013 contributed nearly \$60 billion in development finance to developing countries. And

emerging donors continue to grow in importance, with their contribution more than doubling between 2006 and 2011, representing now over 10% of all public financial flows.

Finally, joining the sources and actors in having undergone tremendous change, so too have the instruments used. Over the past decade, we have seen many new approaches to financing development take hold, including the greater use of non-concessional loans, equity instruments, guarantees and other risk-management measures, and multiple innovative results-based financing mechanism models.

The outcome of the Third International Conference on Financing for Development must recognize all of these new trends if it is to be relevant and succeed at its own mandate – to provide the framework for the mobilization of resources from a variety of sources and the effective use of financing required for the achievement of sustainable development.

Allow me to conclude by stating that Canada looks forward to constructive deliberations in the coming months with the aim of achieving a successful conference outcome that we can all be proud of next year in Addis Ababa.